

Message Text

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ACTION EUR-25

INFO OCT-01 ARA-16 EA-11 IO-14 ISO-00 SS-20 SP-03 L-03

H-03 NSC-07 PA-04 PRS-01 USIA-15 AGR-20 SWF-02 AID-05

CEA-02 CIAE-00 COME-00 EB-12 FRB-03 INR-11 NSAE-00

RSC-01 CIEP-03 STR-08 TRSE-00 LAB-06 SIL-01 SAM-01

OMB-01 DRC-01 /200 W

----- 119679

R 031723Z OCT 74

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 4467

INFO USMISSION GENEVA

USMISSION OECD PARIS

USMISSION EC BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY BRUSSELS

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY LUXEMBOURG

AMEMBASSY BONN

AMEMBASSY THE HAGUE

AMEMBASSY STOCKHOLM

AMEMBASSY HELSINKI

AMEMBASSY BERN

AMEMBASSY BUENOS AIRES

AMEMBASSY CANBERRA

AMEMBASSY OTTAWA

AMEMBASSY TOKYO

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PASS AGRICULTURE

E.O. 11652: N/A

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TAGS: EAGR, EEC

SUBJECT: UK GOVERNMENT GENERALLY WELL PLEASED BY LUXEMBOURG AGREEMENTS ON FARM PRICES ON OCTOBER 2

REF: EC BRUSSELS 7972; LONDON 12405; LONDON 12672;
LONDON 12678; LONDON 12734

BEGIN SUMMARY. THE OUTCOME OF THE MEETING IN LUXEMBOURG ON OCTOBER 2 OF THE EC FOREIGN AGRICULTURAL MINISTERS FOLLOWING THE GERMAN GOVERNMENT BLOCKAGE OF THE SEPT 20 FARM PRICES AGREEMENT HAS BEEN WELCOMED IN THE UK. MUCH SATISFACTION IS TAKEN FROM THE DECISION TO UNDERTAKE A "STOCKTAKING OF THE CAP. END SUMMARY.

1. AFTER THE AGREEMENT IN LUXEMBOURG ON OCTOBER 2 BETWEEN THE EC FOREIGN AND AGRICULTURAL MINISTERS ON THE SEPTEMBER 20 FARM PRICE PACKAGE, THE UK MINISTER OF AGRICULTURE SAID THAT THE OUTCOME NOT ONLY ACHIEVED HIS OBJECTIVE OF KEEPING THE FARM PRICES PACKAGE INTACT BUT THAT NOW THERE WAS ALSO A FIXED TIMETABLE FOR THE FUNDAMENTAL STOCKTAKING OF THE CAP. "THIS STOCKTAKING TOGETHER WITH ANY CONCLUSIONS THAT THE COMMISSION MAY DRAW, WILL BE DEBATED IN FULL BY THE COUNCIL OF MINISTERS AND BY THE EUROPEAN PARLIAMENT."

2. ON NATIONAL FARM AIDS, MR. PEART AND HMG TAKE THE VIEW THAT, BECAUSE THE SPECIAL MEASURES FOR THE UK HAD BEEN AGREED IN ADVANCE BY THE COUNCIL AND BY THE COMMISSION AND BECAUSE THE UK HAS ALWAYS BEEN CAREFUL TO CONSULT THE REST OF THE COMMUNITY BEFORE IMPLEMENTING SUCH SCHEMES, BRITAIN IS NO MORE RESTRICTED THAN BEFORE IN PUTTING SUCH SCHEMES INTO OPERATION. IN AN INTERVIEW ON BBC TELEVISION ON OCTOBER 2, MOREOVER, FOREIGN SECRETARY CALLAGHAN WENT EVEN FURTHER, SUGGESTING THAT THE CAP ITSELF SHOULD BE LOOSENED SUFFICIENTLY TO PROVIDE FOR EVEN MORE SUCH SCHEMES WHERE CIRCUMSTANCES REQUIRED THEM.

3. THE SATISFACTION THAT SOME RECOGNITION EXISTS IN THE COMMUNITY OF THE NEED FOR A RETHINKING ON THE CAP IS WIDELY WELCOMED IN THE UK. THERE IS, HOWEVER, MUCH DOUBT OVER THE USE OF CERTAIN WORDS TO DESCRIBE CAP REAPPRAISAL. LIMITED OFFICIAL USE

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WHILE THE COMMISSION CONTINUES TO USE THE WORD "STOCKTAKING," BRITISH MINISTERS CONTINUE TO TALK IN TERMS OF "RESTRUCTURING" AND "RENEGOTIATION."

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RSC-01 CIEP-03 STR-08 TRSE-00 LAB-06 SIL-01 SAM-01

OMB-01 DRC-01 /200 W

----- 119394

R 031723Z OCT 74

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 4468

INFO USMISSION GENEVA

USMISSION OECD PARIS

USMISSION EC BRUSSELS

AMEMBASSY COPENHAGEN

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4. ON OCTOBER 1, THE PRIME MINISTER IN AN ELECTION SPEECH SPOKE OF THE COMMUNITY AS A MESS AND A SHAMBLES AND IN HIS TELEVISION INTERVIEW LAST EVENING, THE FOREIGN SECRETARY USED THE SAME WORDS ABOUT THE CAP, REFERRING TO BUTTER AND BEEF MOUNTAINS AND SAID THAT THE CAP, DRAWN UP TO SUIT THE NEEDS OF SIX COUNTRIES IN THE 1950S, WAS INAPPROPRIATE TO DEAL WITH THE PROBLEMS OF NINE COUNTRIES IN THE 1970S. HE SAID THE CAP AS IT WAS NOW SUITED NEITHER FARMERS NOR CONSUMERS.

5. CALLAGHAN WAS CAREFUL, HOWEVER, TO AVOID BEING TOO DEFINITE ABOUT THE PROSPECTS FOR CAP RESTRUCTURING SAYING THAT WE SHALL JUST HAVE TO SEE HOW FAR WE CAN GET.

6. A "TIMES" EDITORIAL TODAY QUESTIONS THE WISDOM OF CALLAGHAN TOO ENTHUSIASTICALLY SUPPORTING THE GERMAN MOVE AND FEARS THAT THE BRITISH ATTITUDE IS BOUND TO ANTAGONISE THE FRENCH WHOSE GOODWILL A FUTURE LABOUR GOVERNMENT WILL NEED IF IT WANTS RENEGOTIATION TO BE A SUCCESS. THE EDITORIAL POINTS OUT THAT IN ITS FIRST EIGHTEEN MONTHS IN THE COMMUNITY, THE UK HAS RECEIVED CONSIDERABLE BENEFITS FROM MEMBERSHIP WITH THE PROSPECT OF MORE TO COME IF THE NEGOTIATIONS ON SUGAR WORK OUT SATISFACTORILY. THE PAPER SAYS THAT THE POINT IS NOT SO MUCH THAT THE COMMUNITY IS IN A SHAMBLES BUT THAT THE MEMBER STATES ARE PREPARED TO TAKE STEPS TO APPLY REMEDIES TO THOSE PARTS OF COMMUNITY POLICY IN NEED OF REFORM.

7. THE UK NATIONAL FARMERS' UNION IS STILL UNHAPPY THAT THE MEASURES PROVIDE NO SUPPORT FOR BRITISH BEEF PRODUCERS.

DECON 10/3/75

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AGRICULTURAL PRODUCTION, SUGAR, PRICES, MINISTERIAL MEETINGS, IMPORT CONTROLS, EXPORT CONTROLS, MEATS
Control Number: n/a
Copy: SINGLE
Draft Date: 03 OCT 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974LONDON12937
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740280-0431
From: LONDON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741076/aaaacnbnm.tel
Line Count: 205
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: EC BRUSSELS 7972; LONDON 12405; LOND, ON 12672;
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 03 APR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <03 APR 2002 by boyleja>; APPROVED <24 JUL 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: UK GOVERNMENT GENERALLY WELL PLEASED BY LUXEM- BOURG AGREEMENTS ON FARM PRICES ON OCTOBER 2
TAGS: EAGR, EEC, BRUSSELS
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005